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C O N F I D E N T I A L ASUNCION 000037

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E.O. 12958: DECL: 01/16/2028

TAGS: PREL PGOV PA

SUBJECT: COLORADO DEMONSTRATION PLANNED FOR JANUARY 18

Classified By: DCM Michael J. Fitzpatrick; reasons 1.4 (b) and (d).

¶1. (C) Colorado Party presidential pre-candidate Luis Castiglioni announced his supporters will hold a "massive" demonstration late January 18 in support of electoral justice. In light of President Duarte's January 15 maneuvers to maintain control of the National Electoral Court (TSJE) by removing two Castiglioni-inclined officials, Castiglioni alleges that President Duarte is perpetrating fraud against his faction to clear the way for a Blanca Ovelar victory. (For their part, the Duarte-backed President of the TSJE stated they prevented a "coup d'etat against the nation.") Castiglioni called on the Liberal and Beloved Fatherland (PQ) parties to join the January 18 demonstration, and met separately with Liberal-backed presidential candidate Fernando Lugo and PQ candidate Pedro Fadul January 16 to negotiate a deal -- their support for his January 18 march in exchange for his support for their efforts to impeach new TSJE President Rafael Dendia and his pledge not to support

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Ovelar should she become the Colorado candidate. While he reportedly did not obtain oposition commitments to come out for his rally, post has been told he did obtain private support to fight to restructure the TSJE and to pursue Senator Galaverna, Colorado kingmaker and corruption-hound, for his public admission of orchestrating electoral fraud in the party's previously most divisive internal elections, in ¶1992.

¶12. (C) COMMENT: With the Colorado Party's Electoral Tribunal set to announce Blanca as the Party's presidential candidate January 21, Castiglioni is making a last-ditch effort to save his campaign via public pressure. Castiglioni's camp knows that President Duarte's control of the National Electoral Court and the Supreme Court effectively render judicial appeals futile. While most politicos believe Castiglioni may have won the primary by a narrow margin, they also believe that Ovelar will soon be declared the winner, causing many Paraguayans to have deja vu of the 1992 Colorado primary. (NOTE: Exit polls from the December 1992 primary showed Luis Maria Argana to be the clear winner, but the Colorado electoral tribunal stopped counting votes for several days before declaring Juan Carlos Wasmosy the party's nominee. (This occurred after moving the vote count to a military cuartel controlled by then-Army General Lino Oviedo.) END NOTE). While Ovelar may be starting to show signs of fatigue at being "boxed in" by Duarte and Galaverna (septel), President Duarte does not appear willing to negotiate or concede defeat. Should Ovelar break with Duarte or otherwise prove not stalwart enough, the Plan B for Duarte and Galaverna appears to be to throw their significant weight behind UNACE candidacy of (now-retired) General Oviedo. This much is clear: the longer the party continues in its current self-destruct mode, the more likely its 61-year rule will end this year. END COMMENT.

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